

United States Senate

WASHINGTON, DC 20510

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March 4, 2004

U.S. DEPARTMENT OF TRANSPORTATION
DOCKETS

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The Honorable Norman Y. Mineta
Secretary
U.S. Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Dear Mr. Secretary:

NHTSA - 2004-17015-12

We are writing to express our support for a petition submitted by Nissan North America, Inc., for a statutory exemption from the Corporate Average Fuel Economy (CAFE) program that requires separate fuel economy calculations for domestically and non-domestically manufactured passenger cars, known as the two-fleet or fleet-split requirement.

After 2005, the North American Free Trade Agreement (NAFTA) requires Nissan vehicles made in Mexico to meet domestic production standards for measuring fuel economy, and it is our understanding that Nissan could be forced to pay a CAFE penalty under the new requirements. To avoid the CAFE penalty, Nissan could reduce the percentage of American components used in vehicles made in Mexico, which would result in the loss of U.S. auto part industry jobs. Alternatively, Nissan could reduce domestic passenger car production, which would negatively impact Nissan's manufacturing facilities in Tennessee.

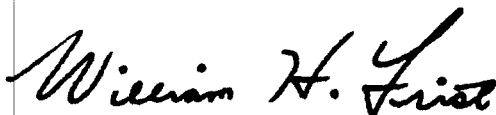
The Automotive Fuel Efficiency Act of 1980 created an exemption from the two-fleet requirement to address the very situation Nissan now faces. The exemption provision requires the agency to grant a manufacturer's petition unless the agency determines that granting the petition would result in reduced domestic employment. Granting Nissan's petition would help to prevent the loss of American jobs and benefit the domestic automobile industry.

Nissan's facilities in Smyrna and Decherd, Tennessee continue to grow rapidly, and Nissan is currently seeking to increase employment in the U.S. However, without a statutory exemption, Nissan may be forced to reduce domestic employment. The exemption will allow Nissan to maintain current levels of domestic production of the Maxima (produced in Smyrna, Tennessee), the Altima (produced in Smyrna, Tennessee and soon in Canton, Mississippi), and the Sentra (using U.S.-made components in Mexico), along with engine production at Decherd, Tennessee.

We hope you will grant Nissan's petition for a statutory exemption from the two-fleet requirement, which will facilitate Nissan's continued increases in domestic production and employment in the United States through 2010.

Thank you for your consideration of our request.

Sincerely,



William H. Frist, M.D.
Majority Leader
United States Senate



Lamar Alexander
United States Senator

ES04-002563